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UNDP: COUNTRY PROGRAMMES AND RELATED MATTERS

Third regional programme for Europe and the Commonwealth of Independent States

Note by the Administrator

1. The present paper highlights the major features to date of the third regional programme for Europe and the Commonwealth of Independent States for the period 1992-1996, as well as the current strategy of the Regional Directorate for Europe and Commonwealth of Independent States (RDEC) for the development of that programme.

2. The third regional programme for Europe (DP/REU/3) was approved by the Governing Council at its thirty-ninth session. The programme was conceived for a region covering Central and Eastern European countries only. Since then, major changes have taken place in the region, in particular, the dissolution of the former Soviet Union, which resulted in the emergence of 15 independent countries, all recipients of UNDP assistance, and the situation in the former Yugoslavia.

3. Operations in the region now cover 34 countries in Central and Eastern Europe, Central Asia, the Mediterranean (Cyprus, Malta and Turkey), as well as the island of Saint Helena. As a result of the increase in the number of countries covered by the regional programme, the original indicative planning figure (IPF), set at $4,450,000, was increased to $8,850,000; subsequently, IPF was reduced by 30 per cent to $6,197,000. Both the broadening of coverage and the changes in IPF allocations necessitated adjustments in the content of regional activities.

4. The original regional programme focused on the following three areas: (a) private sector development; (b) environment and energy; and (c) transport

and communications. However, because of the short time between the approval of the original programme and the change in the number of countries to be covered by that programme, only a limited number of projects were developed in those areas. Furthermore, and in order to reflect the new priorities of all the countries, it became necessary to carefully review regional programme initiatives, in terms of their relevance to the region's transition priorities and their potential for resource mobilization.

5. In 1994, RDEC undertook a thorough review of the regional programme, in consultation with the recipient countries, so as to better serve those countries, taking into consideration the UNDP mandate to build national capacity for sustainable development and the need to mobilize additional, non-core resources.

6. Once it became obvious that the programmes as originally planned did not meet the new requirements in the region, it became imperative to modify them. Thus, in terms of the particular needs of the transition, the UNDP comparative advantage and the potential for resource mobilization, the new regional programme will cover the following areas: (a) democracy, governance and participation; (b) external resources management; (c) gender in development; (d) transition to market economies and privatization; and (e) environment.

7. Overarching all of the above has been the initiative taken by RDEC to assist Governments in their preparation of national Human Development Reports in nearly all countries of the region. One aim of those reports is to contribute significantly to the development debate taking place in each individual country. They also will contribute to the improvement of statistics in fields relevant to the UNDP sustainable human development mandate and better the understanding of social development issues and the role of civil society in the countries concerned. The reports are being used as a tool for the assessment and development of social development priorities, strategies and programmes. The preparation of national Human Development Reports has gained interest and support at the highest levels of Governments and civil society in the region.

8. In each of the five areas listed in paragraph 6 above, regional projects have been developed, with specific national activities. Thus, capacity-building projects in several countries have been designed and approved for better external resources management. A regional umbrella project on the management of external resources aims at improving the skills of personnel involved in aid management and resource mobilization. That project benefits 13 countries.

9. The regional project on democracy, governance and participation aims to strengthen democratic institutions and processes, enhance governance and increase popular participation and the role of civil society. In the Russian Federation, assistance has been provided for the establishment of the position of Commissioner for Human Rights and an Ombudsman Unit, leading to requests for similar assistance in several other countries with activities in this area varying according to national priorities.

10. UNDP responsibilities for the environment arise from national priorities, as well as thematic areas defined in the criteria for eligibility for Global Environment Facility (GEF) funds and the Capacity 21 programme. In the light of

the scale of environmental degradation, the UNDP contribution is selective, taking the form of seed money to facilitate the approval of larger programmes financed by GEF and/or external funding. UNDP has been active in particular with programmes for the Danube river basin, the Black Sea and the Aral Sea.

11. Although UNDP has been successful in mobilizing funds for environmental programmes, the development of new initiatives has been hampered by the scarce human resources of RDEC.

12. In the areas of gender in development and transition to market economies, regional projects have been formulated to support national activities in meeting country-specific needs.

13. National programmes for transition to market economies have attracted some financial support from the international donor community, largely because of the massive scale of structural adjustment problems. Obviously, the international financial institutions and the major bilateral donors are well placed to play the major roles at the macroeconomic level and UNDP is not required to duplicate those roles. However, again because of its impartiality, UNDP is well placed to provide complementary assistance in the area of policy advice, particularly relating to management of the social effects of structural adjustment. Many UNDP efforts in those areas have generated activities which could attract additional donor resources. In particular, the UNDP "turn around management" programme has successfully mobilized over $7 million from the European Bank for Reconstruction and Development and the European Union to finance the restructuring of over 200 former State enterprises in 11 countries of the region.

14. A formal review of the regional programme will be undertaken during 1996 and its results will be presented to the Executive Board at that time. The review will constitute a valuable input for designing the next regional programme.

Annex

FINANCIAL SUMMARY

I. RESOURCES

		$	$
A.	Resources available for regional programme period		
	IPF	6 676 000 a/	
	Estimated cost-sharing	15 936 000	
	Total		22 612 000
B.	Commitments		
	Approved programmes/project budgets b/		
	Approved and allocated IPF (expenditures and commitments)	5 510 734	
	Approved and unallocated IPF	-	
	Subtotal		5 510 734
	Approved and allocated cost-sharing	7 314 000	
	Approved and unallocated cost-sharing	8 622 000	
	Subtotal		15 936 000
	Pipeline programmes/projects		
	IPF	1 165 266	
	Cost-sharing	-	
	Subtotal		1 165 266
	Total		22 610 000
C.	Balance of resources available for further programming		
	IPF	-	
	Cost-sharing	-	
	Balance of resources available		-

a/ Compared to the $4.45 million originally anticipated for the fifth regional programme.

b/ "Approved and allocated" refer to those programmes and projects approved by the Action Committee or Bureau Project Appraisal Committee for which there exist detailed, signed documents and budgets. "Approved and unallocated" represent the balance of funds available to the programme or projects which have yet to be reflected in specific budget lines.

II. PROPOSED AND ACTUAL ALLOCATION OF RESOURCES BY AREA OF CONCENTRATION

(Thousands of dollars)

Area of Concentration	IPF (P) a/	IPF (A) b/	Cost-sharing (P) a/	Cost-sharing (A)	Total (P)	Total (A)	Percentage of total (P)	Percentage of total (A)
Transition to market economy	1 600	2 503	2 000	8 228	3 600	10 731	24.6	47.5
Environment and energy	1 000	859	5 000	-	6 000	859	41.0	3.8
Gender in development	100	120	-	142	100	262	0.6	1.2
Aid coordination	350	655	200	4 262	550	4 917	3.8	21.7
Social development	-	1 255	-	2 770	-	4 025	-	17.8
Democracy and governance	-	120	-	535	-	655	-	2.9
Transport and communications	1 100	400	3 000	-	4 100	400	28.0	1.8
Other pipeline	300	765	-	-	300	765	2.0	3.4
Total	4 450	6 677	10 200	15 937	14 650	22 614	100.0	100.0

a/ Calculated on the basis of provisional allocations at the time of approval of the third regional programme.

b/ Effective distribution of resources, taking into account approved and firm pipeline programmes projects.

III. ESTIMATED COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES

	At the time of formulation of regional programme	At time of mid-term review
UNDP-administered funds	-	-
Special Programme Resources	-	3 000 000
Trust funds	-	3 800 000
Management service agreements	-	-
Add-on	-	-
Other United Nations resources	-	-
Global Environment Facility	4 000 000	19 000 000
Non-United Nations resources	-	-
Total	4 000 000	25 800 000